BOND INFORMATION STATEMENT
State of South Dakota
SDCL 6-8B-19

Return to: Secretary of State
State Capitol
500 E. Capitol
Pierre, SD 57501-5077

FILING FEE: $1.00

TELEPHONE: #(605) 773-3537

Every public body, authority, or agency issuing any general obligation, revenue, improvements, industrial revenue, special assessment, or other bonds of any type shall file with the Secretary of State a bond information statement concerning each issue of bonds.

1. Name of issuer: Colome School District No. 59-1, Tripp County, South Dakota

2. Designation of issue: Capital Outlay Refunding Certificates, Series 2003

3. Date of issue: November 25, 2003

4. Purpose of issue: Refund on 11-25-03 $295,000 Series 1998 Capital Outlay Certificates, dated November 15, 1998.

5. Type of bond: Capital Outlay Certificate

6. Principal amount and denomination of bond:

$295,000; $5,000 or multiples thereof

7. Paying dates of principal and interest:

Interest payable May 15 and November 15 of each year commencing May 15, 2004.
Principal payable November 15 2004 through 2010.

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8. Amortization schedule:

Colome School District 59-1
Capital Outlay Refunding Certificates
Series 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
11/25/2003	-	-	-	-	-
5/15/2004	-	-	3,632.57	3,632.57	-
11/15/2004	35,000.00	1.450%	3,846.25	38,846.25	42,478.82
5/15/2005	-	-	3,592.50	3,592.50	-
11/15/2005	40,000.00	1.800%	3,592.50	43,592.50	47,185.00
5/15/2006	-	-	3,232.50	3,232.50	-
11/15/2006	40,000.00	2.100%	3,232.50	43,232.50	46,465.00
5/15/2007	-	-	2,812.50	2,812.50	-
11/15/2007	45,000.00	2.550%	2,812.50	47,812.50	50,625.00
5/15/2008	-	-	2,238.75	2,238.75	-
11/15/2008	45,000.00	3.000%	2,238.75	47,238.75	49,477.50
5/15/2009	-	-	1,563.75	1,563.75	-
11/15/2009	45,000.00	3.300%	1,563.75	46,563.75	48,127.50
5/15/2010	-	-	821.25	821.25	-
11/15/2010	45,000.00	3.650%	821.25	45,821.25	46,642.50
Total	295,000.00	-	36,001.32	331,001.32	-

9. Interest rate or rates, including total aggregate interest cost:

Net interest cost 2.96% - Total interest - $36,001.32

This is to certify that the above information pertaining to the

Colome School District No. 59-1
(name of public body, authority, or agency)

is true and correct on this 27th day of October, 2003.

By: D. Murphy

Its: Sr Admin Asst

Form: SOS REC 050 08/84

New Issue--Book-Entry Only

Official Statement Dated October 22, 2003

In the opinion of Bond Counsel, under existing laws, regulations and court decisions and subject to the qualifications set forth herein under "TAX EXEMPTION," interest on the 2003 Certificates is not includable in gross income for purposes of regular federal income taxation. Interest on the 2003 Certificates is not subject to the alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "Code"), but is required to be included in the calculation of adjusted current earnings to be used in computing corporate alternative minimum taxable income. See the caption "TAX EXEMPTION" herein.

$295,000
COLOME SCHOOL DISTRICT NO. 59-1
TRIPP COUNTY, SOUTH DAKOTA
CAPITAL OUTLAY REFUNDING CERTIFICATES
SERIES 2003

Dated: November 25, 2003 Due: November 15, as shown below

The Refunding Certificates, Series 2003 (the "2003 Certificates") are issuable as fully registered certificates and, when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the 2003 Certificates. Purchases of the 2003 Certificates will be made in book-entry only form, in the principal amount of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the 2003 Certificates will not receive physical delivery of certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2003 Certificates. Interest is payable on May 15, 2004, and on each November 15 and May 15 thereafter. So long as DTC or its nominee is the registered owner of the 2003 Certificates, payments of the principal or redemption price of and interest on the 2003 Certificates will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "THE 2003 Certificates - Global Book-Entry Certificates." The Business Manager of Colome School District No. 59-1, Colome, South Dakota, will act as Paying Agent and Registrar for the 2003 Certificates. For terms relating to payments made to DTC or its nominee or in the event that the use of book-entry form is discontinued, see "THE 2003 Certificates."

MATURITY SCHEDULE

November 15 Maturity	Principal Amount	Interest Rate	Price
2004	$35,000	1.45%	100.00%
2005	40,000	1.80	100.00
2006	40,000	2.10	100.00
2007	45,000	2.55	100.00
2008	45,000	3.00	100.00
2009	45,000	3.30	100.00
2010	45,000	3.65	100.00

The 2003 Certificates are subject to optional redemption prior to maturity at any time on or after November 15, 2008, as described herein.

The 2003 Certificates are being issued to provide funds for the purpose of refunding on November 25, 2003, $295,000 principal amount of outstanding Capital Outlay Certificates, Series 1998, of the District dated November 15, 1998, (the "Outstanding Certificates"), and to pay issuance costs.

The 2003 Certificates constitute direct limited obligations of the District and as such are secured by the taxing authority of the District for its capital outlay fund pursuant to South Dakota Codified Laws, not to exceed $3 per $1,000 annually on all of the taxable valuation of the District. The projected debt service on the Refunding Certificates requires a levy of $0.759 on the current District valuation.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.

The 2003 Certificates are offered in book-entry form, when, as and if issued and received by the Underwriter and subject to the approval of legality by Messrs. Danforth, Meierhenry & Meierhenry, L.L.P., Attorneys-at-Law, Sioux Falls, South Dakota, Bond Counsel, and certain other conditions. It is expected that the 2003 Certificates will be available for delivery through The Depository Trust Company, in New York, New York, on or about November 25, 2003.

AMERITAS INVESTMENT CORP.

The information contained in this Official Statement has been obtained from Colome School District No. 59-1 and other sources which are believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information, and nothing contained in the Official Statement is, or shall be relied on, as a promise or representation by the Underwriter. The Official Statement is submitted in connection with the sale of securities as referred to therein, and may not be reproduced or be used, in whole or in part, for any other purpose. Neither delivery of the Official Statement nor any sale made thereunder shall create an implication that information therein is correct as of any time subsequent to its date.

No dealer, broker, salesman, or other person has been authorized by the School District or the Underwriter to give any information or to make any representations with respect to the 2003 Certificates other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2003 Certificates by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

IN CONNECTION WITH THE OFFERING OF THE 2003 CERTIFICATES, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH CERTIFICATES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT RELATING TO
$295,000
COLOME SCHOOL DISTRICT NO. 59-1
TRIPP COUNTY, SOUTH DAKOTA
CAPITAL OUTLAY REFUNDING CERTIFICATES
SERIES 2003

INTRODUCTION

The purpose of this Official Statement which includes the cover page is to set forth information concerning Colome School District No. 59-1 (the "District"), and the District's $295,000 Capital Outlay Refunding Certificates, Series 2003 (the "2003 Certificates"), date of original issue - November 25, 2003.

PURPOSE AND AUTHORITY

The 2003 Certificates are being issued to provide funds for the purpose of refunding on November 25, 2003, $295,000 principal amount of outstanding Capital Outlay Certificates, Series 1998, of the District dated November 15, 1998, (the "Outstanding Certificates"), and to pay issuance costs.

The 2003 Certificates have been issued pursuant to a resolution duly adopted by the Board of Education in accordance with Sections 6-8B-30 to 6-8B-52, inclusive, South Dakota Codified Laws (Public Securities Refunding Law.)

SECURITY

The 2003 Certificates constitute direct limited obligations of the District and as such are secured by the taxing authority of the District for its capital outlay fund pursuant to South Dakota Codified Laws, Sections 13-16-6 and 13-16-7, not to exceed $3 per $1,000 annually on all of the taxable valuation of the District. The proceeds of such levy are irrevocably pledged by the School Board to the payment of principal of and interest on the 2003 Certificates and shall be held in the capital outlay fund and used for such purpose. So long as any 2003 Certificates are outstanding, the School Board is compelled by mandamus to levy an annual tax sufficient to pay principal and interest thereon, but not to exceed the $3 per $1,000 limitation in any year. The projected debt service on the 2003 Certificates requires a levy of $0.759 on the current District valuation.

THE 2003 CERTIFICATES

The 2003 Certificates will be issued in the aggregate principal amount of $295,000, will bear date of original issue of November 18, 2003, bear interest (computed on the basis of a year of 360 days consisting of twelve thirty-day months) at specified rates, payable on May 15, 2004, and semiannually thereafter on November 15 and May 15 of each year (collectively, the "Interest Payment Dates"), and mature on the dates, all as set forth on the cover page of this Official Statement. The 2003 Certificates are issuable only in fully registered form in the denomination of $5,000 or any integral multiple thereof. Initially, the 2003 Certificates will be issued using the services of The Depository Trust Company ("DTC") and will be registered in the name of Cede & Co. and will be made available to beneficial owners in book-entry only form, as described below.

General

The principal of and interest on the 2003 Certificates due at maturity or upon redemption prior to maturity are payable at the office of the Business Manager of Colome School District No. 59-1, Colome, South Dakota, (the "Registrar") or of any successor paying agent and registrar appointed by the District, as provided in the Resolution, upon presentation and surrender thereof. Interest on the 2003 Certificates due prior to maturity or earlier date of redemption will be paid to the registered owners thereof as of the close of business on the last business day of the calendar month next preceding each Interest Payment Date (the "Record Date") and will be paid by check or draft drawn on the Registrar and mailed on each Interest Payment Date to the registered owners thereof at the addresses shown on the registration books maintained by the Registrar notwithstanding the cancellation of any such 2003 Certificate upon any exchange or transfer thereof subsequent to the Record Date and prior to such Interest Payment Date. The principal of and interest on the 2003 Certificates will be paid in lawful money of the United States of America. The foregoing procedures and methods for payment will apply in the event that provisions for global book-entry certificates as described below cease to be in effect and will apply to the holding and transfer of 2003 Certificates by DTC subject to certain modifications provided for in a Letter of Representations between the District, the Registrar and DTC.

Global Book-Entry Certificates

The 2003 Certificates will be available to the ultimate purchasers in global book-entry form only, in the principal amount of $5,000 or integral multiples thereof. Purchasers of the 2003 Certificates will not receive certificates representing their interests in the 2003 Certificates purchased, except as described below.

The following description of the procedures and record-keeping with respect to beneficial ownership interests in the 2003 Certificates, payment of interest and other payments on the 2003 Certificates to Participants (as hereinafter defined) or Beneficial Owners (as hereinafter defined) of the 2003 Certificates, confirmation and transfer of beneficial ownership interests in the 2003 Certificates and other related transactions by and between DTC, Participants and Beneficial Owners of the 2003 Certificates, is based solely on information furnished by DTC to the District for inclusion in this Official Statement. Accordingly, the District, the Registrar and the Underwriter do not make any representations concerning these matters, and the Beneficial Owners of the 2003 Certificates should not rely on the following information with respect to such matters, but should instead confirm the same with the Participants from whom they purchased the 2003 Certificates.

The Depository Trust Company, New York, New York, will act as securities depository for the 2003 Certificates. The 2003 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered certificate will be issued for each separately stated maturity of the 2003 Certificates in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participant's accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks,

trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of 2003 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2003 Certificates on DTC's records. The ownership interest of each actual purchaser of each 2003 Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2003 Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the 2003 Certificates, except in the event that use of the book-entry system for the 2003 Certificates is discontinued.

To facilitate subsequent transfers, all 2003 Certificates deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of 2003 Certificates with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2003 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2003 Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the 2003 Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the 2003 Certificates. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting right to those Direct Participants to whose accounts the 2003 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2003 Certificates will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of

principal and interest to DTC is the responsibility of the Registrar or the District, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2003 Certificates at any time by giving reasonable notice to the Registrar or the District. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

The District and the Registrar will not have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Direct Participant or any Indirect Participant; (ii) the payment by DTC or any Direct Participant or Indirect Participant of any amount with respect to the principal or redemption price of or interest on the 2003 Certificates; (iii) any notice which is permitted or required to be given to certificate holders under the Resolution; (iv) the selection by DTC or any Direct or Indirect Participant of any person to receive payment in the event of a partial redemption of the 2003 Certificates; or (v) any consent given or other action taken by DTC as Certificate holder.

The information included under this subcaption, other than in this paragraph, the preceding paragraph hereof and the first two full paragraphs under this subcaption, has been provided by DTC. No representation is made by the District, the Registrar or the Underwriter as to the accuracy or adequacy of such information provided by DTC or as to the absence of material adverse changes in such information subsequent to the date hereof. The Beneficial Owners of the 2003 Certificates will rely on DTC Participants or Indirect Participants for timely payments and other notices and for otherwise making available to the Beneficial Owners the rights of a Certificate holder. No assurances can be given, in the event of the bankruptcy or insolvency of DTC or the Direct Participant or Indirect Participant through which a Beneficial Owner holds beneficial interest in the 2003 Certificates, that payment will be made by DTC, the Direct Participant or the Indirect Participant on a timely basis.

Notice to Certificate Holders

Notice of any proposed modification or amendment of the Resolution by means of a supplemental Resolution that is to be effective with the consent of the registered owners of the 2003 Certificates as well as all notices of redemption will be mailed to DTC, as the registered owner of the 2003 Certificates then outstanding.

No assurance can be given by the District or the Registrar that DTC will distribute to the Participants, or that the Participants will distribute to the Beneficial Owners, (i) payment of debt service on the 2003 Certificates paid to DTC, or its nominee, as the registered owner, or (ii) any redemption or other notices, or that DTC or the Participants will serve and act on a timely basis or in the manner described in this Official Statement.

Optional Redemption

The 2003 Certificates are subject to redemption at the option of the District prior to maturity at any time on

or after November 15, 2008, in whole or in part, at the principal amount thereof plus accrued interest to the date fixed for redemption. The District may select 2003 Certificates to be redeemed in its sole discretion, including particular maturities as it deems appropriate.

Redemption--2003 Certificates Held by DTC

If the 2003 Certificates are being held by DTC under the book-entry system and less than all of such 2003 Certificates within a maturity are being redeemed, DTC's current practice is to determine by lot the amount of the interest of each Participant in such maturity to be called for redemption, and each Participant is to then select by lot the ownership interest in such maturity to be redeemed. See "THE 2003 CERTIFICATES - Global Book-Entry Certificates" herein.

Notice of Redemption; Effect of Redemption

Notice of call for redemption, identifying the 2003 Certificates or portions thereof to be redeemed shall be given by the Registrar by mail, sent to the registered owners of the 2003 Certificates to be redeemed (initially, Cede & Co.) at their registered addresses as shown on the registration books maintained by the Registrar, first class, postage prepaid, not less than thirty (30) days prior to the date fixed for redemption. Failure to give notice to any registered owner or any defect in the notice shall not affect the validity of the proceedings calling the 2003 Certificates or the redemption of any 2003 Certificates for which proper notice has been given. The District shall have the right to direct further notice of redemption for any 1998 Certificate for which defective notice has been given.

Transfer of 2003 Certificates

The 2003 Certificates are transferable upon presentation for cancellation to the Registrar at its office in Colome, South Dakota. To be transferred, any 2003 Certificates must be accompanied by a written instrument of transfer in form satisfactory to the Registrar and must be accompanied by such signature guaranties and other evidence as the Registrar may require. Upon surrender of any 2003 Certificate in proper form, the Registrar will deliver at its office or send by registered mail to the transferee owner or owners at such transferee owner's or owners' risk and expense, a new 2003 Certificate or 2003 Certificates of the same maturity, interest rate and aggregate principal amount registered in the name of the transferee owner or owners. To the extent of the denominations permitted by the Resolution, one 2003 Certificate may be transferred for several 2003 Certificates of a like maturity, interest rate and aggregate principal amount and several 2003 Certificates may be transferred for one or several 2003 Certificates, respectively, of the same maturity, interest rate and aggregate principal amount. Transfer of interests by Beneficial Owners, so long as there is a securities depository serving will be governed by the procedures described under "THE 2003 CERTIFICATES - Global Book-Entry Certificates" herein.

SOURCES AND APPLICATIONS OF FUNDS

Following are the estimated sources and applications of funds:

Sources of Funds:	
Certificate Proceeds	$295,000.00
District Funds for Interest on Called Certificates	362.92
District Funds for Cost of Issuance	5,000.00
Total	$300,362.92
Applications of Funds:	
Refund Series 1998 Certificates	$295,362.92
Estimated Issuance Expenses (Including Underwriter's discount)	5,000.00
Total	300,362.92

DEBT SERVICE REQUIREMENTS ON THE 2003 CERTIFICATES

The annual debt service requirements on the 2003 Certificates are shown below:

Fiscal Year	*Principal*	*Interest*	*Total*
2004		$ 3,632.57	$ 3,632.57
2005	$35,000	7,438.75	42,438.75
2006	40,000	6,825.00	46,825.00
2007	40,000	6,045.00	46,045.00
2008	45,000	5,051.25	50,051.25
2009	45,000	3,802.50	48,802.50
2010	45,000	2,385.00	47,385.00
2011	45,000	821.25	45,821.25
Total	$295,000	$36,001.32	$331,001.32

FINANCIAL STATEMENT
COLOME SCHOOL DISTRICT NO. 59-1

Actual Valuation(2003)	$60,389,078
General Obligation Debt	
Series 2003 Certificates (this issue)	295,000
Ratio of Direct Debt to Actual Valuation	0.488%
Direct, Overlapping and Underlying G.O. Debt	361,409
Ratio of Direct, Overlapping and Underlying Debt to Actual Valuation	0.598%
Estimated Population	1,035

Overlapping Debt:

Tripp County

Actual Valuation (2003)	$398,898,621
General Obligation Debt	-0-
(100% applicable to District)	

Underlying Debt:

City of Colome

Actual Valuation (2003)	$3,917,853
General Obligation Debt	61,4090
(100.00% applicable to District)	
(City has $273,220 of outstanding Water System Revenue Bonds)	

THE SCHOOL DISTRICT

Administration

The District is governed by a Board of Education, which is composed of seven elected Board members. The CEO of Schools is an appointed official. The Secretary of the Board is LaVonne Ring. The Board is responsible for the organizational and financial control of the District. The CEO is responsible for the administration of the District's business affairs and the supervision of instruction.

The present members of the Board of Education and the expiration of respective terms of office are as follows:

Board Member	*Term Expires*
Judy Miner	2004
Kay Haukaas	2006
Steve Atteberry	2004
Rod Hermsen	2006
Brian London	2004
Brian Beck	2005
Todd Shippy	2006

The CEO of Schools is Alan Armstrong who joined the Colome School District in 1993. Assisting the CEO are the following members of the administrative staff:

Name	*Title*
Alan Armstrong	CEO
LaVonne Ring	Business Manager
Gail Larsen	Asst. Business Manager

Budgetary Process

The CEO, with input from his staff, principals and interested community groups, prepares a recommended budget and submits it to the Board, which may modify it. The Board adopts a budget which is submitted

along with the Annual Financial report to the Tripp County Auditor. The budget is designated as the Official Budget and governs the general operations for the fiscal year unless amended by the Board. The budget process begins in January and is passed at the regular Board of Education meeting in July.

Employee Relations

The District's teachers are represented by the Colome Education Association. The Board believes that its relationship with the employees is excellent. Negotiations for the teachers' contract for the 2003-04 school year were completed in May 2003.

Statistical Data

Five-Year Staffing Levels
(Full-Time Equivalent)

Year	*Certified Number*	*Noncertified*
1994-95	21	12
1995-96	22	12
1996-97	22	12
1997-98	22	13
1998-99	22	13
1999-00	22	13
2000-01	21	13
2001-02	21	15
2002-03	21	13
2003-04	20	13

Source: Colome School District

Values for Tax Levy Purposes

Year	*Actual Valuation*
2003	60,389,078
2002	56,947,986
2001	56,706,608
2000	54,375,821
1999	54,619,136

Enrollment

Year	*Enrollment*
1993-94	234
1994-95	226
1995-96	228
1996-97	226
1997-98	212
1998-99	212
1999-00	199
2000-01	185
2001-02	178
2002-03	169
2003-04	181

Source: Colome School District

Tax Rates

General Fund

School Year	Ag	Owner Occupied	Non-Ag	Commercial	Spec Ed	Cap Outlay
2003-04	3.49	5.62	4.49	12.04	1.40	1.75
2002-03	3.74	6.02	4.74	12.99	1.40	2.00
2001-02	4.04	6.50	5.04	13.93	1.30	2.00
2000-01	3.33	5.36	4.33	13.93	1.20	2.50
1999-00	4.24	7.51	12.82	16.15	1.23	2.00
1998-99	4.53	7.41	-	16.05	1.40	2.00

Source: Colome School District

GENERAL INFORMATION

Colome School District No. 59-1 is located in the south-central portion of South Dakota, approximately 110 miles south of Pierre. The District encompasses approximately 341.24 square miles, (218,394 acres) and includes the City of Colome. With a current enrollment (K-12) of approximately 181 students, the District operates as elementary - grades K-6; junior high - grades 7-8; and senior high - grades 9-12.

The District headquarters and school facilities are located in the City of Colome. Access to the District is provided by U.S. Highway 183 and U.S. Highway 18. The City of Colome is the main trading center for the District. The economy is mainly based upon farming, livestock production and related businesses. Nearly all the farms in the area are owner-occupied and crops grown in the area include corn, soybeans, wheat and sunflowers.

The District is served by First Fidelity Bank.

TAX EXEMPTION

Under the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2003 Certificates will not be includable in gross income for purposes of determining federal income taxes. Certain features of the Code with respect to interest on the 2003 Certificates are described in the following paragraphs.

1. The 2003 Certificates are not Private Activity Bonds. The 2003 Certificates are being issued for essential governmental purposes of the District and will not be "private activity bonds" as described in the Code. In connection with the issuance of the 2003 Certificates, the District will certify that none of the proceeds of the 2003 Certificates will be used to acquire property for which any person will be a user other than as a member of the general public under the terms of the Code, subject to certain limitations provided for in the Code. The District will also certify that none of the proceeds of the 2003 Certificates will be used to make or finance loans to any persons. Because the 2003 Certificates will not be "private activity bonds," as described in the Code, they will not be subject to the alternative minimum tax for individuals or corporations. For corporations, however, the 2003 Certificates, like all other tax-exempt bonds, will be subject to the additional minimum tax on "adjusted current earnings," which is referred to below.

2. The 2003 Certificates will not be Arbitrage Bonds under the Terms of the Code. In connection with the issuance of the 2003 Certificates, the District will certify certain of its expectations and anticipations with respect to the 2003 Certificates. The 2003 Certificates are not expected to be subject to the rebate requirements as described in the Code. Under certain circumstances, failure to pay rebates on a timely basis can result in a retroactive loss of tax-exempt status for municipal obligations. Although the Code provides that the determination of whether or not a bond is an arbitrage bond is to be based upon reasonable expectations at the time of issuance, it also contains language which indicates that a bond is to be treated as an arbitrage bond "if the issuer intentionally uses any portion of the proceeds of the issue" to acquire higher yielding investments or replace funds which were used directly or indirectly to acquire such higher yielding investments. The Resolution will include a covenant on the part of the District to take all actions necessary to preserve the tax-exempt status of interest on the 2003 Certificates under the Code.

3. Tax Consequences for Tax-Exempt Interest Income Under Certain Other Provisions of Federal Tax Laws. Under the Code while interest on the 2003 Certificates is exempt as to taxpayers generally, such income may be taken into consideration for purposes of computing certain other taxes imposed. Investors with social security or railroad retirement income may have a tax imposed upon such social security or railroad retirement income depending upon whether or not they have received tax-exempt income such as interest on the 2003 Certificates. Corporations subject to the additional minimum tax on "adjusted current earnings" will be required to pay taxes on a portion of the interest income which is attributable to the 2003 Certificates. Such corporate income may also be subject to additional tax such as the environmental tax imposed by Section 59A of the Code. Casualty and insurance companies will be required to take into consideration tax-exempt interest income in determining losses for certain purposes. Foreign corporations may be required to take into account interest on the 2003 Certificates in computing the branch profits tax under Section 884 of the Code. Certain S Corporations may also be required to take interest on the 2003 Certificates into consideration for certain federal income tax purposes. Taxpayers with social security income or railroad retirement income, corporations subject to the additional minimum tax on "adjusted current earnings," casualty and insurance companies, foreign corporations and S Corporations should consult with their own tax advisors concerning the consequences of investment in the 2003 Certificates.

4. Interest Deduction for Financial Institutions. Under the Code, financial institutions are generally subject to a 100 percent disallowance of interest expense for interest which is attributable to carrying tax

exempt obligations acquired after August 7, 1986. There is, however, under the Code, a permanent exception provided for certain bonds acquired from certain small issuers. Such exception applies if the following conditions are met:

1) The obligations must not be "private activity bonds."

2) The obligations must be issued by an issuer which reasonably anticipates that it will not issue more than $10 million of tax exempt obligations during the calendar year in which the obligations are issued.

3) The issuer must designate the obligations as its "qualified tax exempt obligations."

In connection with the issuance of the 2003 Certificates, the District will certify and warrant that it does not anticipate issuing more than $10 million of tax exempt obligations during the current calendar year. The resolution authorizing the issuance of the 2003 Certificates designates the 2003 Certificates as the District's "qualified tax exempt obligations" as described in the Code. The 2003 Certificates will not be private activity bonds, as discussed above. Financial institutions considering investing in the 2003 Certificates should, however, consult with their own tax advisors concerning the potential consequences of investing in the 2003 Certificates.

LITIGATION

No litigation is pending or, to the knowledge of the District, threatened in any court to restrain or enjoin the issuance or delivery of any of the 2003 Certificates, or attacking in a material way the District's ability to levy taxes to pay the 2003 Certificates or in any way contesting or affecting the validity of the 2003 Certificates or the resolution authorizing the 2003 Certificates or contesting the power or authority of the District to enact such resolution.

UNDERWRITING

Ameritas Investment Corp., as Underwriter, has agreed, subject to certain conditions, to purchase the 2003 Certificates from the District at a purchase price of $290,000. The Underwriter will be obligated to purchase all such 2003 Certificates if any such 2003 Certificates are purchased. The 2003 Certificates may be offered and sold to certain dealers at prices lower than the public offering prices, and the public offering prices may be changed, from time to time, by the Underwriter.

While the Underwriter expects, insofar as possible, to maintain a secondary market for the 2003 Certificates, no assurance can be given concerning the future maintenance of such a market by the Underwriter or others, and prospective purchasers of the 2003 Certificates should therefore be prepared to hold their 2003 Certificates to their maturity. No contractual arrangements have been made for the District to provide continuing disclosure information to any repository or other information service.

The principal amount of the 2003 Certificates is less than $1,000,000. The District has represented that it has not issued within six months before the date of issuance of the 2003 Certificates and will not issue within six months after the date of issuance of the 2003 Certificates, other obligations of the District of substantially the same security and providing financing for the same general purpose or purposes as the 2003 Certificates. Because the aggregate principal thereunder is less than $1,000,000, the terms of 17 C.F.R. S 240.15c2-12 are inapplicable to the 2003 Certificates. Based on the above expectations, no contractual arrangements have been made for the District to provide continuing disclosure information to any repository or other

information service.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and issuance of the 2003 Certificates are subject to the unqualified approving opinion of Messrs. Danforth, Meierhenry & Meierhenry, L.L.P., Bond Counsel.

MISCELLANEOUS

The information contained in this Official Statement has been compiled or prepared from information obtained from the District and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

COLOME SCHOOL DISTRICT 57-1

By: /s/_____
President

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APPENDIX A

Extract From

COLOME SCHOOL DISTRICT NO. 59-1

AUDIT REPORT

Fiscal Year Ended June 30, 2002

(Copies of complete Financial Statement are available from the Underwriter)

COLOME SCHOOL DISTRICT NO. 59-1
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STATE OF SOUTH DAKOTA
DEPARTMENT OF LEGISLATIVE AUDIT

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

School Board
Colome School District No. 59-1
Tripp County, South Dakota

We have audited the financial statements of Colome School District No. 59-1, Tripp County, South Dakota, as of June 30, 2002, and for the year then ended and have issued our report thereon dated January 30, 2002 which was qualified because inadequate general fixed asset records.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Colome School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.* However we noted certain immaterial instances of noncompliance that we have reported to the management of Colome School District No. 59-1 in a separate communication dated January 30, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Colome School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Colome School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions are described in the accompanying schedule of current audit findings and questioned costs as items 2002-01 and 2002-02. We also noted other matters involving the internal control over financial reporting that we have reported to the management of Colome School District No. 59-1 in a separate communication dated January 30, 2003.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2002-01 and 2002-02 to be material weaknesses.

This report is intended solely for the information and use of the South Dakota Legislature, the governing board and management of the Colome School District No. 59-1 and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

Martin L. Guindon, CPA
Auditor General

January 30, 2003

COLOME SCHOOL DISTRICT NO. 59-1
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

Prior Federal Audit Findings:

The prior audit report contained no written audit comments.

Prior Other Audit Findings:

Finding 2001-01:

A lack of segregation of duties existed over the revenue function.

This finding has not been corrected and is restated as current other audit finding number 2002-01.

Finding 2001-02:

Adequate accounting records were not maintained for general fixed assets.

This finding has not been corrected and is restated as current other audit finding number 2002-02.

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Current Federal Audit Findings:

There are no written current federal compliance audit findings to report.

Current Other Audit Findings:

Segregation of Duties

Finding 2002-01:

A lack of proper segregation of duties existed for the revenue function resulting in decreased reliability of reported financial data and increased potential for the loss of public assets.

Analysis:

The business manager processed nearly all revenue transactions from beginning to end. The business manager received money, issued receipts, recorded receipts, posted receipts in the accounting records, prepared bank deposits, reconciled bank statements and prepared financial statements. As a result, an inadequate segregation of duties existed for the revenue function of the school.

RECOMMENDATION:

1. We recommend that school officials be cognizant of this lack of segregation of duties for revenues and attempt to provide compensating internal controls whenever, and wherever possible and practical.

Auditee's Corrective Action Plan:

The school is aware of the lack of segregation of duties but due to limited staffing, segregation of duties are not always possible.

Fixed Asset Records

Finding 2002-02:

Fixed asset records were not properly maintained to support the amounts reported for general fixed assets resulting in diminished control over public assets and increased potential for inaccurate financial statements. This is the second consecutive audit report in which this finding has appeared.

Analysis:

Subsidiary records supporting the amounts recorded and reported for general fixed assets had not been established.

This condition results in unreliable data being reported for general fixed assets and a lack of safeguards for these assets.

RECOMMENDATION:

2. We recommend that detailed subsidiary general fixed asset accounting records be established and maintained.

Auditee's Corrective Action Plan:

The school is currently working on general fixed assets and hopes to have them completed by June 30, 2003.

Closing Conference

The contents of this report were discussed with Board Member Brian London, Superintendent Joe Schlimgen, Business Manager LaVonne Ring and Assistant Business Manager Gail Larsen on January 30, 2003.

STATE OF SOUTH DAKOTA
DEPARTMENT OF LEGISLATIVE AUDIT

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

School Board
Colome School District No. 59-1
Tripp County, South Dakota

We have audited the accompanying general-purpose financial statements of Colome School District No. 59-1, Tripp County, South Dakota, as of June 30, 2002, and for the year then ended, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of Colome School District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

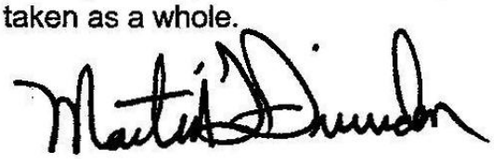
Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Evidence supporting the reported value of general fixed assets was inadequate. In addition, a disclosure of changes in general fixed assets as required by accounting principles generally accepted in the United States of America was not presented as a part of the notes to the financial statements. Due to the nature of the accounting records maintained, we were unable to satisfy ourselves as to the reported value of general fixed assets.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to test records of general fixed assets as discussed in the preceding paragraph, and except that the omission of the disclosure of changes in general fixed assets result in an incomplete presentation as discussed in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Colome School District No. 59-1 as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2003 on our consideration of Colome School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. This report is an integral part of an audit performed in accordance with Government Auditing Standards and, in considering the results of this audit, this report should be read along with the independent auditor's report on the financial statements.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Colome School District No. 59-1 taken as a whole. The schedule listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.



Martin L. Guindon, CPA
Auditor General

January 30, 2003

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COLOME SCHOOL DISTRICT NO. 59-1
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 2002

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types	Account Groups	
	General Fund	Special Revenue Funds	Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt
Assets:							
Current Assets:							
Cash/Cash and Deposits	$ 0.09	$ 261.00	$	$	$ 12,336.20	$	$
Interest Bearing Accounts	148,877.07	123,090.64	433.68	10,155.02	67,778.45		
Savings Certificates	320,000.00	20,000.00					
Taxes Receivable--Current	135,755.82	112,223.50					
Taxes Receivable--Delinquent	9,122.27	3,442.16					
Accounts Receivable			248.00				
Due from Other Government	37,935.82	29,000.00					
Inventory of Stores Purchased for Resale			649.56				
Inventory of Donated Food			1,987.12				
Prepaid Expenses	6,697.10						
Total Current Assets	658,388.17	288,017.30	3,318.36	10,155.02	80,114.65	0.00	0.00
Fixed Assets:							
Land						11,832.83	
Buildings						1,767,859.56	
Improvements Other Than Buildings						87,728.02	
Machinery and Equipment--Local Funds			13,628.58			432,907.77	
Machinery and Equipment--Federal Assistance			8,554.01			35,472.36	
Accumulated Depreciation--Machinery and Equipment--Local Funds (Credit)			(10,248.33)				
Accumulated Depreciation--Machinery and Equipment--Federal Assistance (Credit)			(8,554.01)				
Total Fixed Assets	0.00	0.00	3,380.25	0.00	0.00	2,335,800.54	0.00
Other Debits:							
Advance to Imprest Fund	1,500.00						
Amount to be Provided for Payment of General Long-Term Debt							355,000.00
Total Other Debits	1,500.00	0.00	0.00	0.00	0.00	0.00	355,000.00
TOTAL ASSETS	$ 659,888.17	$ 288,017.30	$ 6,698.61	$ 10,155.02	$ 80,114.65	$ 2,335,800.54	$ 355,000.00

Liabilities and Fund Equity:							
Current Liabilities:							
Accounts Payable	$ 9,565.83	$ 17,449.57	$ 500.00	$	$	$	$
Contracts Payable	85,966.26	3,675.00					
Amounts Held for Others					24,025.38		
Payroll Deductions and Withholdings and Employer Matching Payable	17,550.08	996.46					
Deferred Revenue	145,589.47	114,222.10					
Total Current Liabilities	258,671.64	136,343.13	500.00	0.00	24,025.38	0.00	0.00
Long-Term Liabilities:							
C.O. Certificates Payable							355,000.00
Advance from General Fund					1,500.00		
Total Long-Term Liabilities	0.00	0.00	0.00	0.00	1,500.00	0.00	355,000.00
Total Liabilities	258,671.64	136,343.13	500.00	0.00	25,525.38	0.00	355,000.00
Fund Equity:							
Reserved Fund Balance:							
Reserved for Scholarships					54,589.27		
Reserved for Advances	1,500.00						
Reserved for Bus, Technical Equipment, Building and Grounds		30,000.00					
Unreserved Fund Balances:							
Designated for Next Year's Budget	117,571.00	15,749.00					
Undesignated	282,145.53	105,925.17					
Investment in General Fixed Assets						2,335,800.54	
Unreserved Retained Earnings			3,160.61	10,155.02			
Contributions			3,038.00				
Total Fund Equity	401,216.53	151,674.17	6,198.61	10,155.02	54,589.27	2,335,800.54	0.00
TOTAL LIABILITIES & FUND EQUITY	$ 659,888.17	$ 288,017.30	$ 6,698.61	$ 10,155.02	$ 80,114.65	$ 2,335,800.54	$ 355,000.00

The notes to the financial statements are an integral part of this statement.

COLOME SCHOOL DISTRICT NO. 59-1
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 2002

	Governmental Fund Types		Fiduciary Fund Type
	General Fund	Special Revenue Funds	Expendable Trust Funds
Revenue:			
Revenue from Local Sources:			
Taxes	$ 271,897.40	$ 212,912.93	$
Investment Earnings	19,783.08		
Cocurricular Activities	14,322.37		
Other Revenue from Local Sources	8,775.45	1,889.00	1,954.50
Revenue from Intermediate Sources:			
County Sources	12,679.51		
Revenue from State Sources:			
Grants-in-Aid	641,156.47	46,885.61	
Other State Revenue	1,404.50	4,371.08	
Revenue from Federal Sources:			
Grants-in-Aid	67,663.40	30,976.00	
Other Federal Revenue	69,804.76	33,510.72	
Total Revenue	1,107,486.94	330,545.34	1,954.50
Expenditures:			
Instruction:			
Regular Programs	644,288.33	7,000.56	
Special Programs	39,210.35	68,901.74	
Adult Continuing Education Programs	2,947.68		
Support Services:			
Pupils	18,283.22	56,994.63	
Instructional Staff	54,497.48	11,011.70	
General Administration	49,403.13		

School Administration	134,850.73		
Business	189,979.08	108,162.52	
Special Education		65,396.66	
Community Services:			
Custody and Care of Children Services	35,465.39		
Nonprogrammed Charges:			
Scholarships			1,000.00
Debt Services		46,110.00	
Cocurricular Activities:			
Male Activities	22,179.39		
Female Activities	17,758.86		
Transportation	4,476.19		
Combined Activities	8,867.63		
Total Expenditures	1,222,207.46	363,577.81	1,000.00
Excess of Revenue Over (Under) Expenditures	(114,720.52)	(33,032.47)	954.50
Other Financing Uses:			
Operating Transfers Out	(300.00)		
Excess of Revenue and Other Sources Over (Under) Expenditures and Uses	(115,020.52)	(33,032.47)	954.50
Other Changes in Unreserved Fund Balance:			
(Increase) Decrease in Reserves:			
Reserve for Bus, Technical Equipment, Buildings and Grounds		10,000.00	
Reserve for Scholarships			(954.50)
Fund Balance Unreserved, July 1, 2001	514,737.05	144,706.64	
FUND BALANCE UNRESERVED, JUNE 30, 2002	$ 399,716.53	$ 121,674.17	$ 0.00

The notes to the financial statements are an integral part of this statement.

COLOME SCHOOL DISTRICT NO. 59-1
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL--GENERAL AND SPECIAL REVENUE FUND TYPES
For the Fiscal Year Ended June 30, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenue:						
Revenue from Local Sources:						
Taxes:						
Ad Valorem Taxes	$ 228,202.00	$ 231,333.34	$ 3,131.34	$ 208,889.00	$ 207,112.55	$ (1,776.45)
Prior Years' Ad Valorem Taxes	5,000.00	1,268.98	(3,731.02)	1,800.00	1,276.81	(523.19)
Tax Deed Revenue	0.00	420.93	420.93	700.00	0.00	(700.00)
Gross Receipt Taxes	26,700.00	30,205.38	3,505.38			
Other Taxes	5,000.00	7,039.18	2,039.18	1,450.00	3,545.56	2,095.56
Penalties and Interest on Taxes	2,000.00	1,629.59	(370.41)	600.00	978.01	378.01
Earnings on Investments and Deposits	25,000.00	19,783.08	(5,216.92)			
Cocurricular Activities:						
Admissions	13,200.00	14,322.37	1,122.37			
Other Revenue from Local Sources:						
Rentals	2,400.00	5,285.50	2,885.50			
Other	1,000.00	3,489.95	2,489.95	0.00	1,889.00	1,889.00
Revenue from Intermediate Sources:						
County Sources:						
County Apportionment	11,000.00	12,679.51	1,679.51			
Revenue from State Sources:						
Grants-in-Aid:						
Unrestricted Grants-in-Aid	637,758.00	641,156.47	3,398.47			
Restricted Grants-in-Aid				86,232.00	46,885.61	(39,346.39)
Other State Revenue	0.00	1,404.50	1,404.50	3,400.00	4,371.08	971.08
Revenue from Federal Sources:						
Grants-in-Aid:						

Restricted Grants-in-Aid from Federal						
Government Through the State	70,024.00	67,663.40	(2,360.60)	23,200.00	30,976.00	7,776.00
Other Federal Revenue	86,195.00	69,804.76	(16,390.24)	29,000.00	33,510.72	4,510.72
Total Revenue	1,113,479.00	1,107,486.94	(5,992.06)	355,271.00	330,545.34	(24,725.66)
Expenditures:						
Instruction:						
Regular Programs:						
Elementary	298,080.00	275,139.62	22,940.38	5,500.00	3,399.14	2,100.86
Middle/Junior High	91,955.00	81,105.47	10,849.53	1,000.00	0.00	1,000.00
High School	293,380.00	276,027.99	17,352.01	4,000.00	3,601.42	398.58
Preschool Services	3,880.00	2,956.25	923.75			
Class Size Reduction Program	9,059.00	9,059.00	0.00			
Special Programs:						
Programs for Special Education				80,602.00	68,901.74	11,700.26
Educationally Deprived	39,488.00	37,121.35	2,366.65			
Basic Skills	2,089.00	2,089.00	0.00			
Adult Continuing Education Program:						
Other Adult Continuing Education Program	3,000.00	2,947.68	52.32			
Support Services:						
Pupils:						
Attendance and Social Work	1,795.00	1,795.00	0.00			
Guidance	16,590.00	15,758.67	831.33			
Health	770.00	729.55	40.45			
Psychological				18,500.00	18,496.58	3.42
Speech Pathology and Audiology				17,500.00	17,499.17	0.83
Student Therapy Services				21,000.00	20,998.88	1.12
Support Services - Instructional Staff:						
Improvement of Instruction	18,593.00	16,385.74	2,207.26	13,000.00	11,011.70	1,988.30
Educational Media	40,610.00	38,111.74	2,498.26			
Support Services - General Administration:						
Board of Education	21,170.00	16,762.36	4,407.64			
Executive Administration	33,285.00	32,640.77	644.23			
Support Services - School Administration:						
Office of the Principal	100,144.00	94,406.92	5,737.08			
Other	42,505.00	40,443.81	2,061.19	352.00	0.00	352.00

COLOME SCHOOL DISTRICT NO. 59-1
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL--GENERAL AND SPECIAL REVENUE FUND TYPES
For the Fiscal Year Ended June 30, 2002
(Continued)

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Support Services - Business:						
Fiscal Services	30,805.00	27,541.31	3,263.69	1,000.00	0.00	1,000.00
Operation and Maintenance of Plant	132,110.00	114,881.30	17,228.70	73,429.00	60,270.16	13,158.84
Pupil Transportation	49,419.00	47,556.47	1,862.53	47,500.00	47,292.36	207.64
Food Service				700.00	600.00	100.00
Support Services - Special Education:						
Transportation Costs				5,000.00	2,112.36	2,887.64
Other Special Education				65,197.00	63,284.30	1,912.70
Community Services:						
Custody and Care of Children	39,210.00	35,465.39	3,744.61			
Debt Service				46,710.00	46,110.00	600.00
Cocurricular Activities:						
Male Activities	26,709.00	22,179.39	4,529.61			
Female Activities	25,845.00	17,758.86	8,086.14			
Transportation	4,720.00	4,476.19	243.81			
Combined Activities	14,260.00	8,867.63	5,392.37			
Total Expenditures	1,339,471.00	1,222,207.46	117,263.54	400,990.00	363,577.81	37,412.19
Excess of Revenue Over (Under) Expenditures	(225,992.00)	(114,720.52)	111,271.48	(45,719.00)	(33,032.47)	12,686.53
Other Financing Uses:						
Operating Transfers Out	0.00	(300.00)	(300.00)			
Excess of Revenue and Other Sources Over (Under) Expenditures and Uses	(225,992.00)	(115,020.52)	110,971.48	(45,719.00)	(33,032.47)	12,686.53

Other Changes in Unreserved Fund Balance:						
(Increase) Decrease in Reserves:						
Reserve for Bus, Technical Equipment, Buildings and Grounds				10,000.00	10,000.00	0.00
Fund Balance Unreserved, July 1, 2001	514,737.05	514,737.05	0.00	144,706.64	144,706.64	0.00
FUND BALANCE UNRESERVED, JUNE 30, 2002	$ 288,745.05	$ 399,716.53	$ 110,971.48	$ 108,987.64	$ 121,674.17	$ 12,686.53

The notes to the financial statements are an integral part of this statement.

COLOME SCHOOL DISTRICT NO. 59-1
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 2002

	Proprietary Fund Types		Fiduciary Fund Types
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds
Operating Revenue:			
Sales:			
To Pupils	$ 19,631.38	$	$
To Adults	4,005.45		
Other	56.19		
Contributions/Donations			4,600.37
Total Operating Revenue	23,693.02	0.00	4,600.37
Operating Expenses:			
Food Service:			
Salaries	22,499.78		
Employee Benefits	6,250.97		
Purchased Services	358.02		
Supplies	843.49		
Cost of Sales - Purchased Food	27,579.97		
Cost of Sales - Donated Food	6,650.43		
Depreciation - Local Funds	718.10		
Scholarships:			
Other			2,530.80
Total Operating Expenses	64,900.76	0.00	2,530.80
Operating Income (Loss)	(41,207.74)		2,069.57
Nonoperating Revenue (Expense):			
Local Sources:			
Miscellaneous Revenue	40.00		
State Sources:			
Cash Reimbursements	543.16		
Federal Sources:			
Cash Reimbursements	28,017.94		
Donated Food	6,525.59		
Total Nonoperating Revenue (Expense)	35,126.69	0.00	0.00
Income (Loss) Before Operating Transfers	(6,081.05)	0.00	2,069.57
Operating Transfers In	300.00		
Net Income (Loss)	(5,781.05)	0.00	2,069.57
(Increase) Decrease in Reserves:			
Reserve for Scholarships			(2,069.57)
Retained Earnings/Unreserved Fund Balance, July 1, 2001	8,941.66	10,155.02	0.00
Retained Earnings/Unreserved Fund Balance, June 30, 2002	$ 3,160.61	$ 10,155.02	$ 0.00

The notes to the financial statements are an integral part of this statement.

COLOME SCHOOL DISTRICT NO. 59-1
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
For the Fiscal Year Ended June 30, 2002

	Proprietary Fund Types		Fiduciary Fund Types
	Enterprise Funds	Internal Service Funds	Nonexpendable Trust Funds
Cash Flows from Operating Activities:			
Operating Income	$ (41,207.74)	$	$ 2,069.57
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
(Increase) Decrease in Receivables	(248.00)		
(Increase) Decrease in Inventory	67.47		
Depreciation Expense	718.10		
Increase (Decrease) in Accounts Payable	500.00		
Value of Donated Commodities Used	6,650.43		
Net Cash Provided (Used) by Operating Activities	(33,519.74)	0.00	2,069.57
Cash Flows from Noncapital Financing Activities:			
Cash Reimbursements - State Sources	543.16		
Cash Reimbursements - Federal Sources	28,017.94		
Operating Transfers In	300.00		
Food Rebate	40.00		
Total Cash Flows from Noncapital Financing Activities	28,901.10	0.00	0.00
Net Increase (Decrease) In Cash and Cash Equivalents During the Fiscal Year	$ (4,618.64)	$ 0.00	$ 2,069.57
Cash and Cash Equivalents at End of Year	$ 433.68	$ 10,155.02	$ 48,445.83
Cash and Cash Equivalents at Beginning of Year	5,052.32	10,155.02	46,376.26
Net Increase (Decrease) In Cash and Cash Equivalents During the Fiscal Year	$ (4,618.64)	$ 0.00	$ 2,069.57
Noncash Investing, Capital and Financing Activities:			
Value of Commodities Received	$ 6,525.59		
Capital Contributions	$ 600.00		

The notes to the financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity:

The funds and account groups included in this report are controlled by or dependent upon the school board of education.

The school district participates in two cooperative service units with several other school districts. See detailed note entitled "Joint Ventures" for specific disclosures.

The accounting policies of the school district conform to generally accepted accounting principles as applicable to governments.

b. Fund Accounting:

The accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three broad fund categories and five generic fund types as follows:

Governmental Funds:

General Fund - the General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Proprietary Funds:

Enterprise funds - enterprise funds are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance,

public policy, management control, accountability, or other purposes. The Food Service Fund is the only enterprise fund maintained by the school.

Internal service funds - internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies or to other governments, on a cost-reimbursement basis. The Unemployment Fund is the only internal service fund maintained by the school.

The enterprise funds do not apply any FASB Statements and Interpretations issued after November 30, 1989.

Fiduciary Funds:

Trust and agency funds - trust and agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include expendable trust, nonexpendable trust, and agency funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

c. Fixed Assets and Long-Term Liabilities:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including curbs and gutters, sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Interest costs incurred during construction of fixed assets are not capitalized along with other fixed asset costs.

The total June 30, 2002 balance of general fixed assets includes approximately 50 percent for which the costs were determined by estimations of the original cost. The total June 30, 2002 proprietary fund fixed assets are valued at original cost. These estimated original costs were established by reviewing applicable historical costs and basing the estimations thereon.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported

on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

Long-term liabilities expected to be financed from governmental funds are accounted for in the general long-term debt account group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

d. Basis of Accounting:

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. The federal revenues which were accrued at June 30, 2002 are amounts due from the State of South Dakota for Title I, II, IV, VI, Class Size Reduction and School Renovation. Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due.

All proprietary funds and nonexpendable trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

e. Budgets and Budgetary Accounting:

The school district followed these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the first regular board meeting in May of each year the school board causes to be prepared a proposed budget for the next fiscal year according to the budgetary standards prescribed by the Auditor General. The proposed budget is considered by the school board at the first regular meeting held in the month of May of each year. The proposed budget is published for public review no later than July 15 each year. Public hearings are held to solicit taxpayer input prior to the approval of the budget. Before October 1 of each year, the school board must approve the budget for the ensuing fiscal year for each fund, except trust and agency funds.

2. After adoption by the school board, the operating budget is legally binding and actual expenditures of each fund cannot exceed the amounts budgeted, except as indicated in number 4.

3. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total school district budget and may be transferred by resolution of the school board to any other budget category, except for capital outlay, that is deemed insufficient during the year.

4. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows adoption of supplemental budgets when moneys are available to increase legal spending authority.

5. Unexpended appropriations lapse at year end unless encumbered by resolution of the school board.

   Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and special revenue funds.

   No encumbrances were outstanding at June 30, 2002.

6. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

7. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

f. Deposits and Investments:

The school follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits - The school deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 13-16-15, 13-16-15.1 and 13-16-18.1. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 110 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Deposits are reported at cost plus interest, if the account is of the add-on type.

The school's policy is to credit all income from investments to the General Fund.

The actual bank balances at June 30, 2002 were as follows:

	Bank Balance
Insured (FDIC/NCUA)	$ 126,557.46
Uninsured, collateral jointly held by state's/ school's agent in the name of the state and the pledging financial institution.	527,362.72
Uninsured, uncollaterized	62,132.83
Total Deposits	$ 716,053.01

The carrying amount of deposits on the June 30, 2002 balance sheet was $702,932.15.

Investments - In general, SDCL 4-5-6 permits school funds to be invested in (a) securities of the United States and securities guaranteed by the United States government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a); or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) and repurchase agreements described in (b). Also, SDCL 4-5-9 requires that investments shall be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

g. Inventory:

Inventory is valued at the lower of cost or market. The cost valuation method is first-in, first-out. Donated commodities are valued at estimated market value based on the USDA price list at date of receipt.

h. Interfund Receivables:

Noncurrent portions of long-term interfund loans receivable, reported in "Advance to" asset accounts, are equally offset by a fund balance reserve account which indicates they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of long-term interfund loans receivable, reported in "Due from" asset accounts, are considered "available spendable resources."

i. Deferred Revenue:

Under the modified accrual basis of accounting, receivables may be measurable but not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

j. Cash Flows:

The school district pools its cash resources for depositing and investing purposes. Proprietary Funds essentially have access to their cash resources on demand. Accordingly, all reported deposit and investment balances are considered to be cash equivalents for the purpose of the Statement of Cash Flows.

2. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or before October 1 and payable in two installments on or before April 30 and October 31 of the following year. The county bills and collects the school district's taxes and remits them to the school district. School district property tax revenues are recognized to the extent that they are used to finance each year's appropriations. Current year property taxes receivable which are not available as a resource that can be used to finance the current year's appropriations and therefore are not susceptible to accrual have been deferred and are not reported as revenue.

3. LONG-TERM DEBT

A summary of changes in long-term debt follows:

	Capital Outlay Certificates
Debt Payable, July 1, 2001	$ 385,000.00
Retired	(30,000.00)
DEBT PAYABLE, JUNE 30, 2002	$ 355,000.00

Debt payable at June 30, 2002 is comprised of the following:

Capital Outlay Certificates:	
Capital Outlay Refunding Certificates, Series 1998 School Building Project, Maturity November 15, 2001, Interest Rate 3.9 to 4.7 Percent, Payable from Capital Outlay Fund.	$ 355,000.00

The annual requirements to amortize all debt outstanding as of June 30, 2002, excluding compensated absences, but including interest payments of $84,667.50, are as follows:

Annual Requirements to Amortize Long-Term Debt
June 30, 2002

Year Ending June 30,	Capital Outlay Certificates
2003	$ 44,902.50
2004	43,680.00
2005	42,442.50
2006	46,085.00
2007	44,606.25
Thereafter	217,951.25
Total	$ 439,667.50

4. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

This requirement is effectively met by the statements in this report because the school district maintains only one enterprise fund which provides food service. The working capital of the Food Service Fund at June 30, 2002, is $2,818.36.

5. RETIREMENT PLAN

All employees, working more than 20 hours per week during the school year, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, PO Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

Covered employees are required by state statute to contribute the following percentages of their salary to the plan; Class A Members, 5.0% of salary; Class B Judicial Members, 9.0% of salary; and Class B Public Safety Members, 8.0% of salary. State statute also requires the employer to contribute an amount equal to the employee's contribution. The school's share of contributions to the SDRS for the fiscal years ended June 30, 2002, 2001 and 2000 were $41,559.70, $37,329.28 and $34,422.91, respectively, equal to the required contributions each year.

6. LITIGATION

At June 30, 2002 the school was not involved in any litigation.

7. SUBSEQUENT EVENTS

By board resolution on July 8, 2002, the school district opted out of the tax limitation in the amount of $100,000.00 starting with calendar year 2002 taxes payable in calendar year 2003. The opt out will be for five years, which will include taxes payable in the calendar year 2008.

8. JOINT VENTURES

The school district participates in the Mid-Central Educational Cooperative, a cooperative service unit (co-op) formed for the purpose of providing special education services to the member school districts.

The members of the co-op and their relative percentage participation in the co-op are as follows:

Armour School District No. 21-1	6.77%
Burke School District No. 26-2	7.16%
Colome School District No. 59-1	5.24%
Corsica School District No. 21-2	8.72%
Gregory School District No. 26-4	13.55%
Kimball School District No. 7-2	8.25%
Mt. Vernon School District No. 17-3	8.28%
Plankinton School District No. 1-1	5.51%
Platte School District No. 11-3	16.73%
Stickney School District No. 1-2	5.18%
White Lake School District No. 1-3	5.13%
Wessington Springs School District No. 36-2	9.48%

The co-op's governing board is composed of two representatives from each member school district, who are one school board member on the governing board and one administrator of the school on the advisory board. The board is responsible for adopting the co-op's budget and setting service fees at a level adequate to fund the adopted budget.

The school district retains no equity in the net assets of the co-op, but does have a responsibility to fund deficits of the co-op in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from Mid-Central Educational Cooperative. At June 30, 2002, this joint venture had total fund equity of $1,763,825.65 and no long-term debt.

The School district also participates in the Dial Corporation, a cooperative service unit (co-op) formed for the purpose of providing distant learning services to the member school districts.

The members of the co-op each having an equal percentage of participation are as follows:

Armour School District
Artesian-Letcher School District
Burke School District
Colome School District
Corsica School District
Gregory School District
Kimball School District
Lower Brule School District
Mitchell School District
Mitchell Christian School
Mount Vernon School District
Parkston School District
Plankinton School District
Platte School District
Stickney School District
Tripp-Delmont School District
Wagner School District
Wessington Springs School District
White Lake School District
Woonsocket School District
Cheyenne River School District
Ethan School District
Tiospa Zina Tribal School
Todd County School District
Wessington School District

The co-op's advisory board is composed of seven representatives from the member school districts, who are the superintendents. Mid-Central Educational Cooperative's governing board is responsible for adopting the co-op's budget. Dial Corporation's advisory board sets the member dues.

The school district retains no equity in the net assets of the co-op, but does have a responsibility to fund deficits of the co-op in proportion to the relative participation described above.

Separate financial statements for this joint venture are available from Dial Corporation.

At June 30, 2002, this joint venture had total fund equity of $50,879.49 and no long-term debt.

9. RISK MANAGEMENT

The school district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2002, the school district managed its risks as follows:

Employee Health Insurance:

The Colome school obtains health insurance for its employees through the South Dakota School District Benefit Funds (ASBSD). The school district pays $250 per month per employee toward the monthly premium. The coverage provides various deductibles per calendar year and has a coinsurance of 80 percent of the first $2,500 (individual) or $5,000 per family, then 100 percent thereafter with a lifetime maximum of $1,000,000.

Included in the health insurance premium is a $10,000 life insurance and accidental death insurance.

Liability Insurance:

The school district purchases liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier.

Workmen's Compensation:

The school district purchases liability insurance for workmen's compensation from a commercial carrier.

Unemployment Benefits:

The school district has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits.

The school district has equity in the Unemployment Fund in the amount of $10,155.02 for the payment of future unemployment benefits.

During the year ended June 30, 2002, no claims for unemployment benefits were paid. At June 30, 2002, no claims had been filed for unemployment benefits and none are anticipated in the next fiscal year.

COLOME SCHOOL DISTRICT NO. 59-1
SCHOOL DISTRICT OFFICIALS
June 30, 2002

Board Members:

Brian London
Steve Atteberry
Lyn Kartak
Brian Beck
Todd Shippy
Judy Miner
Jack Haley

Superintendent:

Joe Schlimgen

Business Manager:

LaVonne Ring